

4TH QUARTER FISCAL YEAR 2001 HIGHLIGHTS

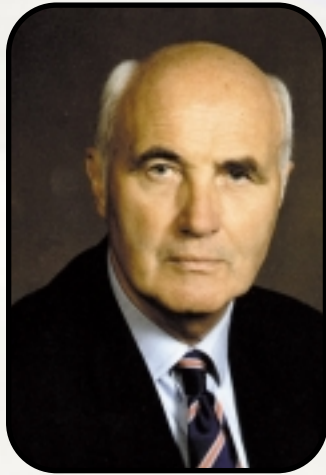
- ✓ Completed cleanout of mixed waste and equipment from B Cell, the largest and most contaminated of the eight cells in the 324 Building. The achievement represents a major reduction in public risk.
- ✓ Demolished a second 300-Area water tower and a mixed-waste storage structure as part of the accelerated “skyline reduction” initiative, and completed all of the year’s planned uranium disposition activities.
- ✓ Shipped 12 more loads of spent nuclear fuel out of the K-West Basin, enabling the Project to exceed a fiscal-year goal of 25 shipments. The year-end total of 27 loads took about 4 million curies of radioactivity away from the Columbia River shore.
- ✓ Repackaged the remaining inventory of plutonium metals and successfully implemented a more efficient chemistry to stabilize plutonium solutions.
- ✓ Made three more shipments of transuranic waste to New Mexico, for a year-end total of seven shipments – two more than planned.

This report describes these and many other achievements over the past three months, as well as the continued assistance of the Pacific Northwest National Laboratory in the use of technology for efficient, safe cleanup, and notes the ongoing environmental remediation by Site colleague, Bechtel Hanford. Indeed, this quarter culminated a fiscal year of strong and significant progress in Hanford cleanup.

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4TH QUARTER FISCAL YEAR 2001 HIGHLIGHTS

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Despite the complex hazards of cleanup activities, safe-hour records continue to be set and extended by many of our Project organizations, as noted on Page 30. In addition, the Fast Flux Test Facility team received the Voluntary Protection Program Gold Star, becoming the fifth organization at Hanford to achieve this prestigious status in the national safety program.

While we take pride in our successes, we constantly strive to refine our processes, practices and project management. In that spirit, we brought a new vice president on board at the end of August to lead a team whose mission is to champion a single, shared vision: doing the mission safely. All aspects of nuclear and criticality safety and regulatory compliance, quality assurance, operations readiness, requirements management, corrective action, lessons learned and independent assessment are integrated in this new Safety & Mission Assurance organization.

As of October 1, we also completed the transition of infrastructure services to Fluor Hanford management, a move designed to provide a more cost-effective structure for our Department of Energy client. As part of that restructuring and following the centralized model of our Project Operations Center, we have established a consolidated Project Maintenance Center to better integrate maintenance practices and procedures, materials, procurement, spare parts and resources across all Fluor Hanford Projects.

Four key values will continue to underscore our work at Hanford: safety, integrity, teamwork and excellence. We simply won't do work that isn't safe, excellent and based on integrity. And without teamwork, we cannot accomplish effective cleanup.

A handwritten signature in black ink, reading "E. Keith Thomson". The signature is stylized with a large, sweeping "E" and a cursive "Thomson".

E. Keith Thomson

*President and Chief Executive Officer
Fluor Hanford*

CONTENTS

HIGHLIGHTS

RESTORE
THE RIVER
CORRIDOR

TRANSITION THE
PLATEAU

PREPARE FOR
THE FUTURE

SUPPORT
& SERVICES

ENVIRONMENT,
SAFETY &
HEALTH

WHAT'S
NEXT?

HANFORD
SITE MAP

CONTACTS

Highlights

By the end of July, the Fluor Project Hanford team and DOE-Richland's Environmental Restoration team led by Bechtel Hanford had already completed all the milestones for the fiscal year for which they are directly responsible, as spelled out in the Tri-Party Agreement that governs Hanford cleanup.

Tri-Party Agreement Milestones

